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AMENDMENTS TO LB 355

1 1. Strike the original sections and all amendments
2 thereto and insert the following sections:

3 "Section 1. Section 77-2716.01, Reissue Revised Statutes
4 of Nebraska, is amended to read:

5 77-2716.01. (1) Every individual shall be allowed to
6 subtract from his or her income tax liability an amount for
7 personal exemptions. The amount allowed to be subtracted shall be
8 the credit amount for the year as provided in this section
9 multiplied by the number of exemptions allowed on the federal
10 return. For tax year 1993, the credit amount shall be sixty-five
11 dollars; for tax year 1994, the credit amount shall be sixty-nine
12 dollars; for tax year 1995, the credit amount shall be sixty-nine
13 dollars; for tax year 1996, the credit amount shall be seventy-two
14 dollars; for tax year 1997, the credit amount shall be eighty-six
15 dollars; for tax year 1998, the credit amount shall be eighty-eight
16 dollars; for tax year 1999, and each year thereafter, the credit
17 amount shall be adjusted for inflation by the method provided in
18 section 151 of the Internal Revenue Code of 1986, as amended. The
19 eighty-eight-dollar credit amount shall be adjusted for cumulative
20 inflation since 1998. If any credit amount is not an even dollar
21 amount, the amount shall be rounded to the nearest dollar. The
22 amount allowed for each personal exemption shall be reduced, but
23 not below zero, by five dollars for each five thousand dollars, or
24 portion thereof, that federal adjusted gross income exceeds ninety

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1 thousand dollars for married filing joint returns, fifty-four
2 thousand dollars for single returns, seventy-five thousand dollars
3 for head-of-household returns, and for married filing separate
4 returns, one-half the amount stated in this subsection for married
5 filing joint returns. For nonresident individuals and partial-year
6 resident individuals, the personal exemption credit shall be
7 subtracted as specified in subsection (3) of section 77-2715. For
8 tax year 1994 and each tax year thereafter, the income levels
9 stated in this subsection shall be adjusted for inflation by the
10 method provided in section 151 of the Internal Revenue Code of
11 1986, as amended. If any income level in this subsection is not a
12 multiple of one thousand dollars, the amount shall be rounded to
13 the next highest multiple of one thousand dollars.

14 (2) (a) For tax years beginning or deemed to begin before
15 January 1, 2003, under the Internal Revenue Code of 1986, as
16 amended, every individual who did not itemize deductions on his or
17 her federal return shall be allowed to subtract from federal
18 adjusted gross income a standard deduction equal to the federal
19 standard deduction for the filing status used on the federal return
20 except as the amount is adjusted under section 77-2716.03.

21 (b) For tax years beginning or deemed to begin on or
22 after January 1, 2003, and before January 1, 2004, under the
23 Internal Revenue Code of 1986, as amended, every individual who did
24 not itemize deductions on his or her federal return shall be
25 allowed to subtract from federal adjusted gross income a standard
26 deduction based on the filing status used on the federal return
27 except as the amount is adjusted under section 77-2716.03. The

1 standard deduction shall be the smaller of the federal standard
2 deduction actually allowed or (i) for single taxpayers four
3 thousand seven hundred fifty dollars, (ii) for head of household
4 taxpayers seven thousand dollars, (iii) for married filing jointly
5 taxpayers seven thousand nine hundred fifty dollars, and (iv) for
6 married filing separately taxpayers three thousand nine hundred
7 seventy-five dollars. Taxpayers who are allowed additional federal
8 standard deduction amounts because of age or blindness shall be
9 allowed an increase in the Nebraska standard deduction for each
10 additional amount allowed on the federal return. The additional
11 amounts shall be for married taxpayers, nine hundred fifty dollars,
12 and for single or head of household taxpayers, one thousand one
13 hundred fifty dollars.

14 (c) For tax years beginning or deemed to begin on or
15 after January 1, 2004, the standard deduction amounts, including
16 the additional standard deduction amounts, in subdivision (2)(b) of
17 this section shall be adjusted for inflation by the method provided
18 in section 151 of the Internal Revenue Code of 1986, as amended.
19 If any amount is not a multiple of ten dollars, the amount shall be
20 rounded to the next highest multiple of ten dollars except that the
21 standard deduction for the married filing separately taxpayers may
22 be a multiple of five dollars.

23 (3) Every individual who itemized deductions on his or
24 her federal return shall be allowed to subtract from federal
25 adjusted gross income the greater of either the standard deduction
26 allowed in subsection (2) of this section or the amount before the
27 federal disallowance of his or her federal itemized deductions,

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1 except for the amount deducted on the federal return for state or
2 local income taxes paid and the amount of any adjustment required
3 under section 77-2716.03.

4 Sec. 2. This act is operative for all taxable years
5 beginning or deemed to begin on or after January 1, 2003, under the
6 Internal Revenue Code of 1986, as amended.

7 Sec. 3. Original section 77-2716.01, Reissue Revised
8 Statutes of Nebraska, is repealed.

9 Sec. 4. Since an emergency exists, this act takes effect
10 when passed and approved according to law.".